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Phoenix, Arizona 85012
Telephone (602) 916-5000

2007 MAR 12 P 4: 46

AZ CORP COMMISSION
DOCUMENT CONTROL

Arizona Corporation Commission

DOCKETED

MAR 12 2007

Attorneys for Northern Sunrise Water Company
and Southern Sunrise Water Company

DOCKETED BY	ne
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BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION OF
NORTHERN SUNRISE WATER COMPANY FOR A
CERTIFICATE OF CONVENIENCE AND
NECESSITY TO PROVIDE WATER UTILITY
SERVICE IN COCHISE COUNTY, ARIZONA.

DOCKET NO. W-20453A-06-0247

IN THE MATTER OF THE APPLICATION OF
SOUTHERN SUNRISE WATER COMPANY FOR A
CERTIFICATE OF CONVENIENCE AND
NECESSITY TO PROVIDE WATER UTILITY
SERVICE IN COCHISE COUNTY, ARIZONA.

DOCKET NO. W-20454A-06-0248

IN THE MATTER OF THE JOINT APPLICATION
OF NORTHERN SUNRISE WATER COMPANY
AND SOUTHERN SUNRISE WATER COMPANY
FOR THE APPROVAL OF SALE AND TRANSFER
OF WATER UTILITY ASSETS, AND
CANCELLATION OF CERTIFICATES OF
CONVENIENCE AND NECESSITY, FOR
MIRACLE VALLEY WATER COMPANY,
COCHISE WATER COMPANY, HORSESHOE
RANCH WATER COMPANY, CRYSTAL WATER
COMPANY, MUSTANG WATER COMPANY,
CORONADO ESTATES WATER COMPANY, AND
SIERRA SUNSET WATER COMPANY, LOCATED
IN COCHISE COUNTY, ARIZONA.

DOCKET NOS. W-20453A-06-0251
W-20454A-06-0251
W-01646A-06-0251
W-01868A-06-0251
W-02235A-06-0251
W-02316A-06-0251
W-02230A-06-0251
W-01629A-06-0251
W-02240A-06-0251

NOTICE OF COMPLIANCE WITH
DECISION NO. 68826

Pursuant to Ordering Paragraph number 9 of Decision No. 68826, dated June 29, 2006 ("Order"), Northern Sunrise Water Company and Southern Sunrise Water Company (collectively, "Applicants") submit this Notice of Compliance in the above-referenced matter. The purpose of this filing is to inform the Commission and Staff that on or about February 21, 2007 the

1 acquisition of the McLain Systems was completed. (See Report on Sale of Water Companies,
2 attached hereto as Exhibit A.) Consequently, Applicants are also hereby providing notice that the
3 approved rates and charges will be effective beginning April 1, 2007.

4 DATED this 12th day of March, 2007.

5 FENNEMORE CRAIG, P.C.

6
7 By: 

8 Jay L. Shapiro
9 Patrick J. Black
10 Attorneys for Applicants,
Northern Sunrise Water Company and
Southern Sunrise Water Company

11 ORIGINAL and 33 copies delivered
12 this 12th day of March, 2007 to:

13 Docket Control
14 Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

15 Copy hand-delivered
16 this 12th day of March, 2007, to:

17 Mike Gleason
18 Chairman
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

19 Kristin K. Mayes
20 Commissioner
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

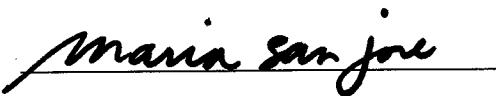
21 Jeff Hatch-Miller
22 Commissioner
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

1 William Mundell
Commissioner
2 Arizona Corporation Commission
1200 West Washington
3 Phoenix, AZ 85007
4 Gary Pierce
Commissioner
5 Arizona Corporation Commission
1200 West Washington
6 Phoenix, AZ 85007
7 Steve Olea, Assistant Director
Utilities Division
8 Arizona Corporation Commission
1200 W. Washington St.
9 Phoenix, AZ 85007
10 Chris Kempley, Chief Counsel
Legal Division
11 Arizona Corporation Commission
1200 W. Washington St.
12 Phoenix, AZ 85007
13
14 Brian Bozzo, Compliance
Utilities Division
15 Arizona Corporation Commission
1200 W. Washington St.
16 Phoenix, AZ 85007
17 Copy mailed
18 this 12th day of March, 2007, to:
19 Steven L. Wene, Esq.
MOYES STOREY
20 1850 North Central Avenue, #1100
Phoenix, AZ 85004
21 Johnny McLain
22 7110 East Jaxel Road
Hereford, AZ 85615
23 Johnny and Linda McLain
24 P.O. Box 2903
Sierra Vista, AZ 85636
25
26

1 Arizona Small Utilities Association
2 210 North Central Avenue, Suite 6B
3 Avondale, AZ 85323

4 Copy emailed and mailed
5 this 12th day of March, 2007 to:

6 Jane Rodda, Administrative Law Judge
7 Hearing Division
8 Arizona Corporation Commission
9 400 West Congress
10 Tucson, AZ 85701
11 JRodda@azcc.gov

12 

13 1893340.1/10577.002

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24

25

26

EXHIBIT

A

1 Michael M. Neal, Esq.
2 **LAW OFFICE OF MICHAEL M. NEAL, P.C.**
3 110 S. Church Avenue, Suite 4298
4 Tucson, Arizona 85701
5 Telephone: (520) 623-5686
6 Facsimile: (520) 623-5255
7 E-Mail: mmnealpc@qwest.net
8 State Bar No. 04331

9 and

10 Britt Hanson, Esq.
11 Office of the County Attorney
12 P.O. Box CA
13 Bisbee, AZ 85603
14 Telephone: (520) 432-8700
15 Facsimile: (520) 432-8778
16 E-mail: bhanson@co.cochise.az.us
17 State Bar No.: 012739

18 Co-Counsel for Cochise County

19 **IN THE UNITED STATES BANKRUPTCY COURT**
20 **FOR THE DISTRICT OF ARIZONA**

21 In re:

22 **JOHNNY A. MCLAIN and**
23 **LINDA M. MCLAIN,**
24 **husband and wife,**

25 Debtors.

Chapter 11 Proceeding

Case No. 4-03-bk-04125-EWH

**REPORT ON SALE OF
WATER COMPANIES**

26 Cochise County reports to the Court that on or about February 21, 2007, the Court
27 authorized and approved sale of water companies closed. Attached hereto is a true copy of the
Settlement Statement for the sale. The sales proceeds are being held by the escrow agent, Pioneer
Title Agency, subject to further Order of this Court. A sale of the Wireless System is expected
to Close in the near future. Upon that sale closing substantive assets of the estate will be

1 liquidated and the monies available for distribution under the confirmed Plan will be known. At
2 that time a distribution application will be filed.

3 RESPECTFULLY SUBMITTED this 28th day of February, 2007.

4 LAW OFFICE OF
5 MICHAEL M. NEAL, P.C.

6 By: /s/ Michael M. Neal
7 Michael M. Neal
8 Co-Counsel for Cochise County

9 Copy of the foregoing mailed this
10 28th day of February, 2007, to:

11 Office of the United States Trustee
12 230 N. First Ave., Ste. 204
13 Phoenix, AZ 85003-1706

14 Rob Charles, Esq.
15 Lewis and Roca, L.L.P.
16 1 S. Church Ave., #700
17 Tucson, AZ 85701-1611
18 Attorney for Buyer

19 Michael W. Baldwin, Esq.
20 Law Offices of Michael W. Baldwin
21 P.O. Box 35487
22 Tucson, AZ 85740-5487
23 Attorney for Debtors

24 Denise Faulk, Esq.
25 Arizona Attorney General's Office
26 1275 West Washington
27 Phoenix, AZ 85007
Attorney for Arizona Dept. of Revenue

Christopher C. Kempley
Legal Division
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

Britt Hanson, Esq.
Deputy County Attorney
Office of the County Attorney
P.O. Box CA
Bisbee, AZ 85603
Attorney for Cochise County

A. U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
SETTLEMENT STATEMENT

Pioneer Title Agency, Inc.
P.O. Box 1900
580 E. Wilcox Dr.
Sierra Vista, AZ 85636-1900

FINAL

B. TYPE OF LOAN

OMB No. 2502-0285

1. ☐ FHA 2. ☐ FMHA 3. ☐ CONV. UNINS.
4. ☐ VA 5. ☐ CONV. INS.

6. ESCROW FILE NUMBER: 00515132-001 FMM 7. LOAN NUMBER:

8. MORTGAGE INSURANCE CASE NUMBER:

C. NOTE: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(P.O.C.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

D. NAME OF BORROWER: NORTHERN SUNRISE WATER COMPANY, INC. and SOUTHERN SUNRISE WATER COMPANY, INC.

ADDRESS OF BORROWER: 2845 BRISTOL CIRCLE
OAKVILLE, ONTARIO CANADA L6H7H

E. NAME OF SELLER: JOHNNY A. MC LAIN and LINDA M. MC LAIN

This is to certify that this is a true
and correct copy of this instrument

Handwritten signature

ADDRESS OF SELLER: 7110 E. JAXEL ROAD
HEREFORD, AZ 85615

F. NAME OF LENDER:
ADDRESS OF LENDER:

G. PROPERTY LOCATION:

. AZ
Cochise SEE ATTACHED
SEE ATTACHED

H. SETTLEMENT AGENT: Pioneer Title Agency, Inc.
PLACE OF SETTLEMENT: P.O. Box 1900, 580 E. Wilcox Dr., Sierra Vista, AZ 85636-1900

I. SETTLEMENT DATE: 02/18/2007 PRORATION DATE: 02/18/2007 FUNDING DATE: 02/18/2007

J. SUMMARY OF BORROWER'S TRANSACTION

K. SUMMARY OF SELLER'S TRANSACTION

100. Gross Amount Due From Borrower:		400. Gross Amount Due To Seller:	
101. Contract Sales Price	896,752.14	401. Contract Sales Price	896,752.14
102. Personal Property		402. Personal Property	
103. Settlement charges to Borrower (line 1400)	1,030.00	403.	
104.		404.	
105.		405.	
Adjustments For Items Paid By Seller In Advance:		Adjustments For Items Paid By Seller In Advance:	
106. City/Town Taxes		406. City/Town Taxes	
107. County Taxes		407. County Taxes	
108. Assessments		408. Assessments	
109.		409.	
110.		410.	
111.		411.	
112.		412.	
113.		413. FUNDS DEPOSITED FOR UCC SEARCH	250.00
114.		414.	
115.		415.	
120. Gross Amount Due from borrower:	897,782.14	420. Gross Amount Due to Seller	897,002.14
200. Amounts Paid by or in behalf of Borrower:		500. Reductions in Amount Due To Seller:	
201. Deposit or earnest money	200,000.00	501. Excess deposit (see instructions)	
202.		502. Settlement charges to Seller (line 1400)	694,149.00
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to	
204. FUNDS DEPOSITED 9/11/06	498,000.00	504. Payoff of first mortgage loan	
205. INTEREST EARNED ON FUNDS DEP.	9,478.99	505. Payoff of second mortgage loan	
206.		506.	
207.		507.	
208.		508.	
209.		509.	
Adjustments For Items Unpaid By Seller:		Adjustments For Items Unpaid By Seller:	
210. City/Town Taxes		510. City/Town Taxes	
211. County Taxes 01/01/07 - 02/16/07	2,799.14	511. County Taxes 01/01/07-02/16/07	2,799.14
212. Assessments		512. Assessments	
213.		513. \$ PD TO OBTAIN UCC SEARCHES	54.00
214.		514.	
215.		515.	
216.		516.	
217.		517.	
218.		518.	
219.		519.	
220. Total Paid By/For Borrower	710,276.13	520. Total Reductions in Amount Due Seller	697,002.14
300. Cash at Settlement from/to Borrower:		600. Cash at Settlement to/from Seller:	
301. Gross amount due from Borrower (line 120)	897,782.14	601. Gross amount due to Seller (line 420)	897,002.14
302. Less amount paid by/for Borrower (line 220)	710,276.13	602. Less reductions in amount due Seller (line 52)	697,002.14
303. Cash TO Borrower:	12,493.99	603. Cash TO Seller:	0.00

INITIALS: _____

INITIALS: _____

L SETTLEMENT CHARGES:**700. Total Sales/Broker's Commission:**

Based on Price \$896,752.14 @ 1/2% = 0.00

Division of Commission (line 700) follows:

701. \$ 0.00 to

702. \$ 0.00 to

\$ 0.00 to

703. Commission paid at settlement

704.

Paid from
Borrower's
Funds at
SettlementPaid from
Seller's
Funds at
Settlement**800. Items Payable In Connection With Loan:**

801. Loan Origination Fee

802. Loan Discount Fee

803. Appraisal Fee

804. Credit Report

805. Lenders Inspection Fee

806. Mortgage Insurance Application Fee

807. Assumption Fee

808.

809

810.

811.

900. Items Required By Lender To Be Paid In Advance:

901. Interest

902. Mortgage Insurance Premium

903. Hazard Insurance Premium

904.

905.

1000. Reserves Deposited With Lender:

1001. Hazard Insurance

1002. Mortgage Insurance

1003. City Property Taxes

1004. County Property Taxes

1005. Annual Assessments

1006.

1007

1008. Aggregate Adjustment months @ \$

0.00

1100. Title Charges:

1101. Settlement or closing fee to Pioneer Title Agency, Inc.

355.00

355.00

1102. Abstract or title search

1103. Title examination

1104. Title insurance binder

1105. Document preparation

1106. Notary Fees

1107. Attorney's Fees

(includes above item numbers:)

1108. Title Insurance

(includes above item numbers:)

1109. Lender's Coverage

1110. Owner's coverage \$ 350,000.00 to Pioneer Title Agency, Inc.

1,200.00

1111.

1112.

1113.

1115. Courier-FED EXP TO/FR SELLER to Pioneer Title Agency, Inc.

50.00

1117. Addtl Wk Esc Fee 10 hrs @ \$75. to Pioneer Title Agency, Inc.

375.00

375.00

1118. Addtl Wk Title 10 hrs @ \$60. to Pioneer Title Agency, Inc.

300.00

300.00

1119. REC-DEEDS/HS ABAND/ORDERS to Pioneer Title Agency, Inc.

300.00

1200. Government Recording and Transfer Charges

1201. Recording Fees:

1202. City/County tax/stamps

1203. State tax/stamps

1204. City Transfer Tax

1205. County Transfer Tax

1206.

1207.

1300. Additional Settlement Charges:

1301. Survey

1302. Pest Inspection

1303. 2004-2006 TX to COCHISE COUNTY TREASURER

82,612.19

1304. PROCEEDS REMAINING to TO BE DETERMINED BY BK COURT

608,881.81

1305. DEED SIGNING FEE to STEWART TITLE & TRUST

75.00

1306.

INITIALS: _____

INITIALS: _____

1307.

1400. Total Settlement Charges (Enter on line 103, Section J -and- line 502, Section K)

1,030.00

894,149.00

INITIALS: _____

INITIALS: _____